



Entered on Docket
June 26, 2006

Hon. Linda B. Riegler
United States Bankruptcy Judge

ORDER

SUSAN WILLIAMS SCANN, ESQ.

Nevada Bar No. 000776

PAUL R. CONNAGHAN, ESQ.

Nevada Bar No. 003229

DEANER, DEANER, SCANN, MALAN & LARSEN

720 South Fourth Street, Suite #300

Las Vegas, Nevada 89101 (702) 382-6911

Attorney for Party In Interest

Franklin/Stratford Investment LLC

UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF NEVADA

In re:
USA COMMERCIAL MORTGAGE
COMPANY,

Debtor

Case No. BK-S-06-10725 LBR

Case No. BK-S-06-10726 LBR

Case No. BK-S-06-10727 LBR

Case No. BK-S-06-10728 LBR

Case No. BK-S-06-10729 LBR

In re:
USA CAPITAL REALTY ADVISORS, LLC.

Debtor

Chapter 11

In re:
USA CAPITAL DIVERSIFIED TRUST
DEED FUND, LLC.

Debtor

Jointly Administered Under

Case No. BK-S-06-10725 LBR

Date of Hearing: June 21, 2006

Time of Hearing: 8:30a.m.

In re:
USA CAPITAL FIRST TRUST
DEED FUND, LLC.

Debtor

Affects:

☒ USA Commercial Mortgage Company

☒ USA Capital Diversified Trust Deed Fund, LLC

☒ USA Capital First Trust Deed Fund, LLC

☐ USA Securities, LLC

☐ USA Realty Advisors, LLC

☐ All Debtors

In re:
USA SECURITIES, LLC.

Debtor

**ORDER AUTHORIZING RELEASE OF EXCESS COLLATERAL FOR
FRANKLIN/STRATFORD LOAN AND PAYMENT OF THE SALE PROCEEDS OF 2.51
ACRES PARCEL TO PETRA, INC.**

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The Debtors filed a Motion for Authority to Forbear and to Provide Further Funding for Certain Outstanding Loans (Affects Debtor USA Commercial Mortgage, Debtor Capital Diversified Trust Deed Fund LLC and Debtor USA Capital Diversified Trust Deed Fund LLC) ("the Motion") which came on for hearing on June 21, 2006. This Order relates only to the portion of the Motion relating to the Franklin/Stratford Loan. The Court, having reviewed the portion of the Motion relating to the Franklin/Stratford Loan, the relief sought therein, the Declarations of Robert A. Russell and Gary Buentgen in support of the Franklin/Stratford Investments LLC's ("Franklin/Stratford") portion of the Motion and the Court finding that the Committees representing the Beneficiaries of the Deeds of Trust securing the Franklin/Stratford Loan, namely the Official Committee of Equity Security Holders of USA Capital First Trust Deed Fund, LLC, 80% beneficiary, consented to the release of funds and payment to Petra, Inc., and the Official Committee of the Equity Security Holders of USA Capital Diversified Trust Deed Fund, LLC, 20% beneficiary, filed no objection to the Motion and a proper notice having been given and that the portion of the Motion relating to the Franklin/Stratford Loan is in the best interest of the Debtors and their respective estates, and it appearing that no further hearing or notice is required and after due deliberation and sufficient cause appearing therefor,

1. IT IS HEREBY ORDERED, ADJUDGED AND DECREED that the portion of the Debtors' Motion For Authority to Forbear and To Provide Further Funding for Certain Outstanding Loans relating to the Franklin/Stratford sale of the 2.51 acres of real property described on Exhibit "A" attached hereto and incorporated by reference herein ("The Property") is approved and granted; and

2. IT IS HEREBY FURTHER ORDERED, ADJUDGED AND DECREED that Franklin/Stratford is authorized and ordered, after payment of commissions and closings costs to first apply and pay all net sale proceeds of approximately \$745,000.00 to Petra Inc., up to and including the full amount of Petra Inc.'s claims and if any excess sale proceeds remain, the excess shall be paid to Debtor USA Commercial Mortgage Company as servicer, for the benefit of the Franklin/Stratford investors consisting of the USA Capital First Trust Deed Fund, LLC and the USA

Capital Diversified Trust Fund, LLC; and

3. IT IS HEREBY FURTHER ORDERED, ADJUDGED AND DECREED that Debtor USA Commercial Mortgage Company as Servicer is authorized and ordered to immediately sign and deliver to Franklin/Stratford for closing a request for partial reconveyance releasing the lien of the USA Capital First Trust Deed Fund, LLC and the USA Capital Diversified Trust Fund, LLC arising out of the deed of trust recorded in the Office of the County Recorder of Boise, Idaho on March 31, 2005, as Instrument Number 105038725 and all modifications thereof as to the Property, such partial reconveyance to be used upon payment by the buyer of the sale price of good funds to the order of Franklin/Stratford with such lien to attach to the sale proceeds with the same validity, priority and enforceability as they had when attached to the Franklin/Stratford real property. USA Capital First Trust Deed Fund, LLC and the USA Capital Diversified Trust Fund, LLC have consented to the use of the sale proceeds as provided for in Paragraph 2 above; and

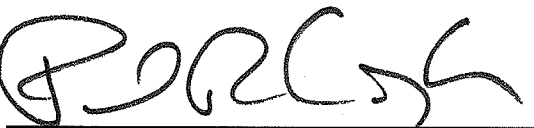
4. IT IS HEREBY FURTHER ORDERED, ADJUDGED AND DECREED that the automatic ten (10) day stay under Bankruptcy Rule 6004(g) has been waived and does not apply to this Order, and this Order is effective immediately upon entry.

5. IT IS HEREBY FURTHER ORDERED, ADJUDGED AND DECREED that all signatures are waived except Lenard E. Schwartz or Jeanette E. McPherson.

PREPARED BY:

DEANER, DEANER, SCANN,
MALAN & LARSEN

By



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1 APPROVED BY:

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16 (Proposed) Counsel for the Investor Committees

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EXHIBIT **A**

TITLEONE CORPORATION

Authorized agent for:

COMMONWEALTH LAND TITLE INSURANCE COMPANY

Commitment Number: A0657052 JG/DE

SCHEDULE C

PROPERTY DESCRIPTION

The land referred to in this Commitment is described as follows:

PARCEL E

A parcel of land being a portion of Lot 21 and Lot 22 of Honor Park Subdivision No.3 as on file in Book 78 of Plats at Page 8191 in the Office of the Ada County Recorder, Boise, Idaho, lying in the Northwest quarter of Section 18, Township 3 North, Range 1 East, Boise Meridian, City of Meridian, Ada County, Idaho as shown on Record of Survey No. 7377 recorded as Instrument No, 106072793 in the office of the Ada County Recorder, Boise, Idaho and more particularly described as follows:

COMMENCING at an iron pin marking the Northwest corner of Lot 26, Block 2 of said Honor Park Subdivision No. 3; Thence along the West boundary line of said Lot 26, South 00°39'36" East 218.68 feet to an iron pin marking the Southwest corner of said Lot 26; Thence along the South boundary line of said Lot 26, North 89°31'22" East 227.00 feet to an iron pin marking the Northwest corner of Lot 21, Block 2 of said Honor Park Subdivision No. 3 and the POINT OF BEGINNING, thence along the North boundary line of said Lot 21, North 89°31'22" East 246.12 feet to an iron pin; Thence South 00°24'38" West 213.15 feet to an iron pin marking a point on a curve to the left; Thence along said curve to the left having a radius of 52.00 feet, a central angle of 16°37'45", a length of 15.09 feet and a long chord that bears South 77°05'05" West 15.04 feet to an iron pin marking a point on the curve to the left; Thence continuing along the curve to the left having a radius of 52.00 feet, a central angle of 28°39'12", a length of 26.00 feet and a long chord that bears South 54°26'37" West 25.73 feet to an iron pin; Thence North 46°02'44" West 24.99 feet to an iron pin, Thence North 89°50'44" West 193.47 feet to an iron pin on the West boundary of said Honor Park Subdivision No. 3; Thence along said West boundary North 00°40'02" East 211.56 feet to the POINT OF BEGINNING.

PARCEL H

A parcel of land being a portion of Lot 26 and Lot 25 of Honor Park Subdivision No. 3 as on file in Book 78 of Plats at Page 8191 in the Office of the Ada County Recorder, Boise, Idaho, lying in the Northwest quarter of Section 18, Township 3 North, Range 1 East, Boise Meridian, City of Meridian, Ada County, Idaho as shown on Record of Survey No, 7377 recorded as Instrument No. 106072793 in the office of the Ada County Recorder, Boise, Idaho and more particularly described as follows.

COMMENCING at an iron pin marking the Northwest corner of Lot 26, Block 2 of said Honor Park Subdivision No. 3; Thence along the North boundary line of said Lots 25 and 26, North 89°20'24" East 101.04 feet to an iron pin; Thence continuing North 00°39'36" West 20.00 feet to an iron pin, Thence continuing North 89°20'24" East 30.00 feet to an iron pin; Thence continuing

ALTA Commitment
Schedule C

(A0657052.PFD/A0657052/13)

South 00°39'36" East 20.00 feet to an iron pin; Thence continuing North 89°20'24" East 98.04 feet to an iron pin marking the POINT OF BEGINNING; thence continuing North 89°20'24" East 282.92 feet to an iron pin; Thence continuing North 00°39'36" West 20.00 feet to an iron pin; Thence continuing North 89°20'24" East 15.00 to an iron pin marking the Northeast corner of said Lot 25; Thence South 00°39'36" East 50.00 feet to an iron pin; Thence South 89°20'24" West 50.33 feet to an iron pin; Thence South 00°24'38" West 190.23 feet to an iron pin on the South boundary of said Lot 25, Thence along the South boundary of said Lot 25, South 89°31'22" West 246.12 feet to an iron pin marking the Northwest corner of Lot 21, Block 2 of said Honor Park Subdivision; Thence continuing South 89°31'22" West 3.00 feet to an iron pin; Thence North 00°40'03" East 219.46 feet to an iron pin marking the POINT OF BEGINNING.